



# Communicator

*News from the SBA Rhode Island District Office*

VOLUME 5 NUMBER 5

AMERICA'S SMALL BUSINESS RESOURCE

AUGUST 2003

## SBA Deputy Administrator Melanie Sabelhaus Pledges Assistance to Small Businesses Affected by New State Fire Code



SBA Deputy Administrator Melanie R. Sabelhaus is introduced by Rhode Island Governor Donald L. Carcieri at a State House news conference to announce SBA assistance to small business owners.

The Deputy Administrator of the Small Business Administration has pledged the agency's full support in the effort to help small businesses comply with Rhode Island's new fire code regulations.

Melanie R. Sabelhaus met with Rhode Island Governor Donald L. Carcieri during her visit last month to outline the cooperation between SBA and its Rhode Island participating lenders to assist those small businesses that may be required to install sprinklers or make renovations to their facilities to comply with the state's stricter requirements. To date, ten SBA lenders have expressed an interest in working with the agency to provide needed access to capital for small businesses impacted by the new code.

*(Continued on Page 2)*

## SBA, Hospitality Association Host Fire Code Compliance Assistance Workshops



SBA District Director Mark S. Hayward explains the technical and financial assistance available to the participants at the RI Hospitality and Tourism Association information workshop in Cranston.

The first series of workshops to educate the small business community about the recently revised state fire code was held in Cranston and Newport last month.

The sessions were hosted by the Small Business Administration, the Rhode Island Hospitality and Tourism Association, and the Rhode Island Economic Development Corporation.

State Fire Marshal Jesse Owens told the small business owners that investigators are still studying the new regulations and did not expect any inspections reflecting the new changes until early next year.

The new fire code mandates that sprinkler systems be installed in establishments that serve alcohol and have occupancy capacities of at least 150 people by July 2006.

*(Continued on Page 2)*

**SABELHAUS VISIT** (continued from page 1)

**SBA Deputy Administrator Melanie R. Sabelhaus** met with **Rhode Island Governor Donald L. Carcieri** and **District Director Mark S. Hayward** to discuss assistance available from the SBA to help small businesses affected by the state's stricter fire code regulations.

"The response by the SBA's Rhode Island District Office to those affected by the tragic nightclub fire has been incredible," said Sabelhaus. "The District Office staff has been a critical part of the recovery effort from the beginning, and we will continue to offer whatever assistance we can, not only to those already impacted by the fire, but also to those who must adapt to the new state regulations," Sabelhaus added.

The new fire code eliminates the "grandfather clause" that shielded older buildings from updated fire codes that required sprinkler systems.

"With the comprehensive fire safety legislation on the books, we have to take the necessary measures to provide assistance to small businesses to meet the challenges of complying with the new fire code requirements," said Governor Carcieri. "The SBA stepped right in and organized several meetings with financial institutions. I am very pleased that ten organizations will be providing assistance to local businesses that will enable them to ease the costs involved in complying with fire code requirements," the governor added.

"I am very pleased that many of the Rhode Island SBA participating lenders have stepped forward to assist small businesses in their time of greatest need," said SBA Regional Administrator Jeffrey H. Butland. "The SBA will do all it can under its existing authority to make certain that the small businesses affected by the new law can continue to operate. Our concern is to provide financing and technical assistance to those who are impacted by the changes," Butland said.

"We have been working with our lending partners since the tragic fire in February to make certain that the necessary access to capital is available to affected businesses," said Mark S. Hayward, Director of the SBA Rhode Island District Office. "We will continue to work closely with the hospitality industry and the Rhode Island Economic Development Corporation to develop more workshops and to provide technical assistance to the small businesses that need it," said Hayward.

For more information about the financial and technical assistance available to small businesses, visit the SBA Web site at **www.sba.gov/ri**, or call (401) 528-4561.

**FIRE CODE WORKSHOPS** (continued from page 1)

**SBA Economic Development Specialist William Thorne** explains the loan programs to the fire code workshop participants.

Other places of assembly with occupancy capacities of 300 or more must install sprinkler systems by July 2005. Some businesses will be required to upgrade smoke detectors and fire alarms, and replace exit signs to comply with the stricter fire regulations.

"More than 1,000 small businesses may be in need of financing to comply with the new regulations," said Mark S. Hayward, Director of the SBA Rhode Island District Office. "It is important that business owners have the necessary capital needed to bring them up to minimum code requirements," Hayward added.

SBA has developed a program with ten participating lenders to provide long term capital at reasonable interest rates. Workshop participants were given information about how to access the resources available to them.

Participating lenders include **Citizens Bank, Fleet Bank, Bank Rhode Island, Sovereign Bank New England, The Washington Trust Company, Home Loan & Investment Bank, First Federal Savings Bank, the Business Development Company of Rhode Island, UPS Capital Corporation, and Pitney Bowes Small Business Lending Corporation.** Some lenders are offering loans

at fixed rates or as low as prime minus 1/2 percent.

SBA has also recruited its resource partners at SCORE: *Counselors to America's Small Business*, the Rhode Island Small Business Development Center, and the Center for Women &



**Standing room only:** Nearly 100 people attended the workshop held at the Rhode Island Hospitality and Tourism Association training

Enterprise to assist small businesses in developing their loan applications. Counselors were also on hand at the workshops to answer questions from individual business owners.

The Rhode Island Economic Development Corporation has also pledged its support and may be of assistance in financing loans where the SBA cannot participate, or where subordinated financing will help strengthen the SBA package to the participating lender.

To learn more about the technical and financial assistance available to small businesses that may be affected by the fire code revisions, call the SBA at (401) 528-4561, or visit the SBA District Office Web site at **www.sba.gov/ri**.



## Online Registration Opens for SBA's National Entrepreneurial Conference and Expo

*Events to be Held from September 17-19*

Online registration is now available for the SBA's annual celebration honoring America's top entrepreneurs and the *National Small Business Person of the Year*.

The SBA's National Entrepreneurial Conference and Expo (NECE), in Washington, D.C., September 17-19, 2003, is being held in conjunction with a series of events throughout the country to mark the agency's 50th anniversary.

Business owners and other individuals interested in taking part in NECE may now register at [www.sba.gov/50](http://www.sba.gov/50). Complete information about the Expo and the SBA's 50th anniversary events is available on the conference Web site. The site will be updated regularly with new event information.

The three-day SBA event, to be held at the Washington Hilton & Towers Hotel, will feature award ceremonies and presentations by notable speakers from industry and government on issues of vital interest to the small business community, including a *Celebrating Women in Business* event recognizing the contributions of women business owners. A small business "Hall of Fame," honoring the highest achievements in entrepreneurialism, will be inaugurated during the conference.

The *National Small Business Person of the Year* will be selected from among 50 state Small Business Person of the Year, plus one each from the District Columbia, Puerto Rico and Guam. Two runners-up will also be named.

The Expo will also offer a series of business sessions designed to provide small businesses with useful, practical and tangible advice, assistance and insight, including Managing Your Business, Emerging Markets, Procurement Opportunities, Small Business Financing, eBusiness, International Trade, Tax Relief, Health Care, Contingency Planning, Veteran Business Development and Leadership.

This year's conference features a Procurement Matchmaking event that will bring together prime and subcontractors with small businesses to make business deals, as well as an Expo featuring over 175 exhibitors, including small businesses, corporate entities, international interests, and federal and state governments.



Visit us Online at:  
[www.sba.gov/ri](http://www.sba.gov/ri)

## Sharp Increase in SBA-Backed Loans Fuel Job Growth

The number of small businesses receiving loans backed by the Small Business Administration in the first three quarters of this fiscal year is up almost 36 percent over the same period a year ago, with sharp increases in loans to minorities, women, and veterans.

Based on statements made by the borrowers, the loans made so far in Fiscal Year 2003 have financed the creation or retention of more than 411,000 jobs.

The overall increase in loan approvals under the agency's two major loan programs, the 7(a) General Business Loan Guaranty Program and the Certified Development Company (or 504) loan program, came to 35.7 percent, reflecting an increase from 38,648 loans during the first three quarters of FY 2002 to 52,435 loans during the same period this year. Strong increases were registered in both programs: 7(a) loans were up by 37 percent and 504 loans rose by 22 percent.

**In Rhode Island, the number of 7(a) loans reported at the end of the third quarter rose by 16.4 percent to 761 loans, an increase of 107 loans over the same period last fiscal year. The number of 504 loans in Rhode Island kept pace with last fiscal year.**

Overall, loans to small businesses owned by minorities increased by 46 percent from 9,715 in 2002 to 14,171 in the same period this year. Loan approvals for women small business owners increased by 40 percent, to 10,668 loans, and loans to veteran-owned small businesses rose by 22 percent, to 4,958 loans.

The total dollar amount approved under the two programs during the period rose by just 2 percent, to \$10 billion. A substantial part of the increase in smaller loans is due to significant efforts by the agency to make it easier and faster for lenders to approve loans under \$250,000, thus making smaller commercial loans more widely available.

## SBA Gives Regulatory Agencies Improving Grades

Federal regulatory agencies are doing better at creating and maintaining a friendly attitude toward the nation's small businesses, according to the fiscal 2002 annual report to Congress from the SBA's National Ombudsman.

More than 30 agencies and their divisions received ratings from National Ombudsman Michael Barrera on their resolution of complaints about excessive enforcement. The report is available online at [www.sba.gov/ombudsman/dsp\\_reports.html](http://www.sba.gov/ombudsman/dsp_reports.html).

As required by the 1996 Small Business Regulatory Enforcement Fairness Act, Barrera's office reports annually to Congress on federal regulatory enforcement activities. Agencies are evaluated on how quickly they respond and resolve concerns from small businesses and the quality of those responses; representation by the agencies at regulatory fairness hearings held around the country; regulatory compliance assistance provided by agencies; and adoption and enforcement of non-retaliation policies by agencies.

The report provides valuable feedback to federal agencies on the federal regulatory enforcement environment for small business.

For more information about the National Ombudsman's office visit [www.sba.gov/ombudsman](http://www.sba.gov/ombudsman).

## Donald G. Morash, Jr. Named to SBA National Advisory Council

**S**BA Administrator Hector V. Barreto has named Donald G. Morash, Jr., of Warwick, RI to the National Advisory Council. Morash will serve a two-year term which began on July 1, 2003.

"The National Advisory Council plays a unique role in advising the Administrator and Agency officials about vital issues affecting small business throughout the country," said Administrator Barreto.



"The success of SBA's programs depends significantly on the contribution of the dedicated business leaders and concerned citizens who serve on the Advisory Council," he added.

Morash is a key player in the Warwick business community. He is the principal broker at Abbott Properties, the past president of the Warwick Rotary Club, a member of the Rhode Island Better Business Bureau, the Warwick Block Grant Committee, and a board member of the West Bay Habitat for Humanity.

Morash was recently honored as Rotarian of the Year for his commitment to community organizations and events. He has also received recognition for achievements in the real estate industry and has won numerous production awards.

## Rhode Island MicroEnterprise Association Moves to New Offices

The Rhode Island MicroEnterprise Association has expanded its operation to new quarters. The association moved from the Johnson & Wales University Campus to new offices at the International Institute of Rhode Island located at 645 Elmwood Avenue in Providence.

"We are beginning our fourth year of operation and are looking forward to continued expansion of our services and outreach to the state's home-based and microbusiness owners," said Ann Marie Marshall, Director of the RI MicroEnterprise Association. "This new location will provide us with office space, classrooms, and presentation rooms to offer our education programs to more people every year," she added.

Marshall said the association will add five new microbusiness training sites this year for a total of 25 statewide, and also offer a Youth Entrepreneurship Program to ten high schools beginning in September.

The Rhode Island MicroEnterprise Association, which is funded in part by the SBA, is the fastest-growing statewide microbusiness training program in the country.

The association trains and presents certificates to more than 300 people each year. Classes are taught in English, Spanish, Portuguese, and Creole.



Deputy Administrator **Melanie Sabelhaus** dropped by the Abbott Valley Veterinary Clinic in Cumberland during her recent visit to RI. Joining her, from left, Regional Administrator **Jeffrey H. Butland**, Sabelhaus, Ocean State Business Development Authority President **Bud Violet**, and clinic owner **Dr. Joyce Gifford, DVM**. Abbott Valley Veterinary Clinic recently received an SBA 504 loan to construct a new, more efficient animal hospital.

## SBA National Ombudsman Provides Access to Regulatory Compliance Information

**T**he Small Business Administration, in cooperation with the Office of Management and Budget, has developed a comprehensive list of federal regulatory compliance assistance resources and a point of contact in each federal agency for helping small businesses comply with the Small Business Paperwork Relief Act.

"The SBA, with the assistance of OMB, is breaking down more barriers to small business productivity," said Administrator Hector V. Barreto. "The latest OMB estimates are that it takes businesses and citizens approximately 8.2 billion hours and \$320 billion annually to collect and submit data to the federal government. This takes resources away from starting and expanding small businesses, from creating new products and services, and from hiring new employees," Barreto added.

The Paperwork Reduction Act required the SBA National Ombudsman and OMB to identify and list resources. This information is on the ombudsman's Web site at [www.sba.gov/ombudsman/compliance/complianceassist.html](http://www.sba.gov/ombudsman/compliance/complianceassist.html) and on the OMB Web site at [www.whitehouse.gov/omb/fedreg/062703\\_compliance\\_assistance.pdf](http://www.whitehouse.gov/omb/fedreg/062703_compliance_assistance.pdf).

The National Ombudsman's Office provides a sounding board for small businesses experiencing excessive or unfair regulatory enforcement. These concerns can be sent directly to the ombudsman's office or presented at one of numerous hearings held around the country each year. For more information about the office, how to file a complaint, and where hearings have been held or are scheduled, go to [www.sba.gov/ombudsman](http://www.sba.gov/ombudsman).

## From the Director's Desk



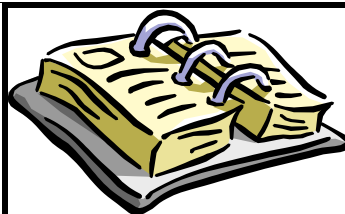
July turned out to be an exciting, action-filled month for the SBA Rhode Island District Office. We were honored that SBA Deputy Administrator Melanie Sabelhaus joined us for a day. Her visit was a whirlwind tour of the state, starting at an SBA MicroLoan success story in Smithfield and ending with a press conference with the Governor at the Rhode Island State House.

The Good Feet Store in Smithfield was her first stop. Here the deputy heard a remarkable story of how Jeannine Vigeant expanded her business with a \$25,000 SBA MicroLoan. Jeannine has since opened two more Good Feet Stores and is looking to expand again. Ms. Sabelhaus then met with Dr. Joyce Gifford, who owns the Abbott Valley Veterinary Clinic in Cumberland. Dr. Gifford recently received an SBA 504 loan to construct a new, more efficient animal hospital. Discussions with Dr. Gifford also produced an additional working capital loan of a dog grooming studio.

The Deputy Administrator met with SBA District Office staff over a brown bag lunch. The discussion centered on the SBA's transformation efforts and how the district offices will be reshaped to better serve the small business community in each state. The Rhode Island District Office was chosen to participate in the next phase of the pilot and is among the first offices in the nation to be transformed.

Then it was on to the State House for a meeting with Rhode Island Governor Don Carcieri to discuss assistance available through SBA and our resource partners to help small businesses in the state comply with the new fire code. The meeting was followed by a news conference with the governor to outline the SBA's commitment to do all it can to help small businesses continue to operate.

There are still tickets available for the SBA Night at the McCoy Stadium on Thursday, August 21st. A pre-game barbecue will take place in the right field party tent, and we expect to have 500 people joining us for an evening of family fun. My thanks to the Rhode Island Commodores, who purchased 200 tickets and donated them to family members of Rhode Island National Guard troops who have been deployed to Iraq and elsewhere around the world. We look forward to meeting the military family members to express our appreciation for the sacrifices they are making as their loved ones serve our great nation around the world. I hope to see you at McCoy Stadium on August 21st. Enjoy the rest of the summer!



## Calendar of Events

Wednesday, August 20, 2003 10:00 a.m.-12:00 p.m.

### SBA Information Workshop

East Providence Chamber of Commerce,  
850 Waterman Avenue, East Providence, RI  
Join SBA and its resource partners to learn about the many programs and services that can help you successfully start and grow a small business. Fee: FREE  
Pre-register by calling the SBA at (401) 528-4561.

Wednesday, August 20, 2003 1:00-3:00 p.m.

### Workshop for Home-based Businesses

East Providence Chamber of Commerce,  
850 Waterman Avenue, East Providence, RI  
This session, sponsored by the Chamber, SBA, and the RI MicroEnterprise Association, will help individuals who want to operate a small business from home. Fee: FREE  
Pre-register by calling the SBA at (401) 528-4561.

Thursday, August 21, 2003 5:00 p.m.

### Small Business Night with the Pawtucket Red Sox

McCoy Stadium, Columbus Avenue, Pawtucket, RI  
Presented by SCORE. Cost: \$25  
Includes a pre-game barbecue featuring grilled chicken, hot dogs, hamburgers and more. Baseball game at 7:05 p.m.  
To reserve tickets, call Virginia Thimas at SBA, (401) 528-4561.

Friday, September 5, 2003 12:00 Noon-2:00 p.m.

### How to Write a Winning Business Plan

Presented by SBA and South Kingstown Chamber  
University of Rhode Island University Club  
95 Upper College Road, Kingston, RI Fee: FREE  
Every business needs a well-written business plan. Learn about the critical elements that every business plan should contain. Register by calling the SBA at (401) 528-4561.

Saturday, September 13, 2003 10:00-a.m. – 2:00 p.m.

### RI Secretary of State Small Business Expo

Crowne Plaza Hotel, 801 Greenwich Avenue, Warwick, RI  
Meet with representatives from state, federal, and local regulatory agencies, get business registration information and forms, and get answers to your business questions. Admission is FREE.

**For an updated listing of workshops  
and small business events, visit the  
SBA Rhode Island District Office  
Web site at: [www.sba.gov/ri](http://www.sba.gov/ri)**





presents...

# A Night of Family Fun

## with SBA & Friends

### Small Business Night at McCoy Stadium August 21



VS



The Small Business Administration has been helping entrepreneurs hit home runs since 1953. Family, friends and employees are invited to join us for a family-fun "50th" celebration.



# \$25

 per person

Includes ticket to the ball game and all you can eat grilled chicken breast, 1/4 lb. hamburgers, grilled hot dogs, cole slaw, potato chips, lemonade, and ice cream bar.

Join us in the Party Tent  
(by the first base line)

**Barbecue**  
**5 p.m.**  
**Game Time**  
**7:05 p.m.**

Call Virginia Thimas at SBA  
(401) 528-4561 or e-mail:  
virginia.thimas@sba.gov  
for more information.

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
# of tickets \_\_\_\_\_ @ \$25 per ticket = \$ \_\_\_\_\_  
I wish to donate \_\_\_\_\_ tickets @ \$25 each to family members of  
deployed RI National Guard and Reserve troops = \$ \_\_\_\_\_

**MAKE CHECK PAYABLE TO: SCORE**  
*Tickets will be mailed to you directly*

Send a check and this form to: SCORE, Attn: John McLaughlin, 380  
Westminster Street, Rm. 511, Providence, RI 02903

## Rhode Island District Office

## BANKRANK

FY03 7(a) Approved Loan Volume by Lenders and Number of Loans 10/1/02 to 7/31/03

1. Citizens Bank of Rhode Island	606	\$16,716,602
2. Fleet Bank	72	\$4,974,700
3. BankRI	52	\$6,137,501
4. Coastway Credit Union	35	\$6,473,750
5. The Washington Trust Co.	29	\$4,495,000
6. Sovereign Bank New England	26	\$3,717,500
7. Independence Bank	9	\$3,836,750
8. Home Loan and Investment Bank	5	\$2,560,000
9. Minority Investment Development Corp.	5	\$537,000
10. Bank of Fall River	4	\$1,650,000
11. CIT Small Business Lending	4	\$1,282,000
12. Capital One F.S.B.	4	\$160,000
13. First International Bank	3	\$522,500
14. First Federal Savings Bank	3	\$442,300
15. Business Lenders LLC	3	\$410,000
16. Business Loan Express	2	\$770,000
17. Freedom National Bank	2	\$400,000
18. UPS Small Business Lending Corp.	1	\$850,000
19. Bank of Newport	1	\$496,641
20. Danvers Savings Bank	1	\$412,000
21. Greenwood Credit Union	1	\$250,000
22. Domestic Bank	1	\$110,000
23. Bank North, N.A.	1	\$35,000
24. Bristol County Savings Bank	0	
25. Business Dev. Co. of Rhode Island	0	
26. Centreville Savings Bank	0	
27. First Trade Bank	0	
28. First Union Small Business Capital	0	
29. GE Capital Small Business Finance Corp.	0	
30. Newport Federal Savings Bank	0	
31. Slade's Ferry Bancorp	0	
<b>Sub-Total:</b>	<b>870</b>	<b>\$57,239,744</b>

## Ocean State Business Development Authority

*Ocean State Business Development Authority is a Certified Development Company licensed by the SBA. The following lenders approved first mortgage financing on economic development projects, thereby facilitating the 504 loans listed below through 7/31/03.*

Lender	Number Loans	SBA Debenture	Total Project
Bank RI	3	\$2,772,000	\$14,507,142
The Washington Trust Company	2	\$783,000	\$2,073,000
Coastway Credit Union	2	\$348,000	\$887,500
Domestic Bank	1	\$1,300,000	\$3,500,000
First International Bank	1	\$1,031,000	\$3,025,000
First Trade Union Bank	1	\$558,000	\$1,350,000
Fleet Bank	1	\$37,000	\$1,300,000
Bristol Cty Savings Bank	1	\$363,000	\$1,000,000
Freedom National Bank	1	\$352,000	\$970,000
Sovereign Bank	1	\$357,000	\$860,000
Dime Savings Bank	1	\$228,000	\$623,529
Home Loan and Investment Bank	1	\$142,000	\$390,000
<b>Total 504 Loans</b>	<b>16</b>	<b>\$8,771,000</b>	<b>\$30,486,171</b>
<b>Total Loans</b>	<b>886</b>		<b>\$66,010,744</b>



**Rhode Island District Office**  
380 Westminster Street, Room 511  
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PENALTY FOR PRIVATE USE \$300

## ***SBA Communicator***

*News from the Rhode Island District Office*

**August 2003**

### **District Director**

Mark S. Hayward

### **Editor**

Normand T. Deragon

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# SAVE THE DATE

**NATIONAL  
ENTREPRENEURIAL  
CONFERENCE  
& EXPO**



## **September 17~19, 2003**

WASHINGTON HILTON & TOWERS • WASHINGTON, D.C.

Join us as we celebrate 50 years of the SBA's commitment to America's entrepreneurs.

Take advantage of immense opportunities to network, connect with government and corporate buyers, and learn about cutting-edge business practices.

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